



5th Annual General Meeting

29 April 2019

Important Notice

This presentation should be read in conjunction with the announcements released by OUE Commercial REIT (“OUE C-REIT”) on 30 January 2019 (in relation to its Financial Results for 4th Quarter and Year Ended 31 December 2018).

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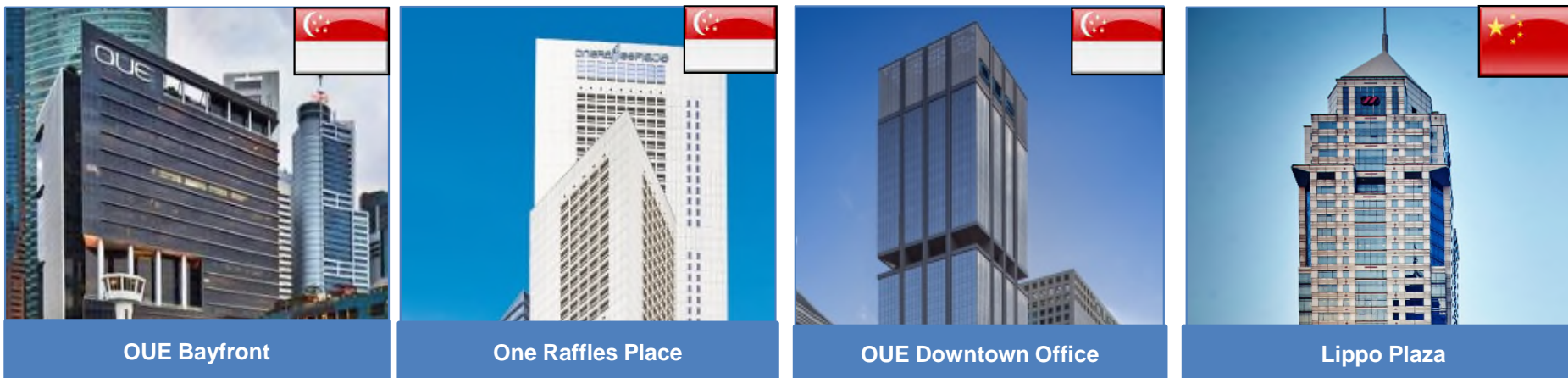
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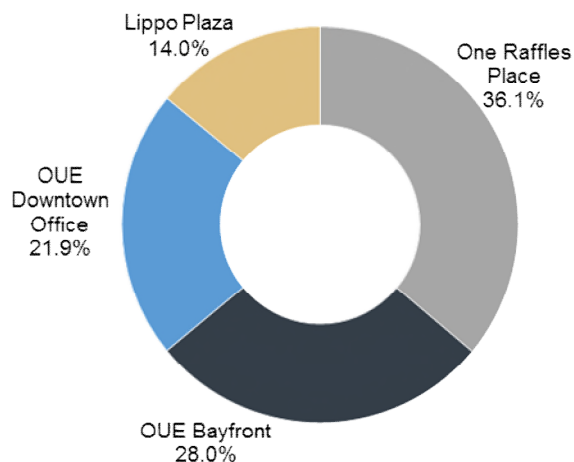
- Overview of OUE Commercial REIT
- 2018 Key Highlights
- Capital Management
- Portfolio Performance
- Summary

Overview of OUE C-REIT

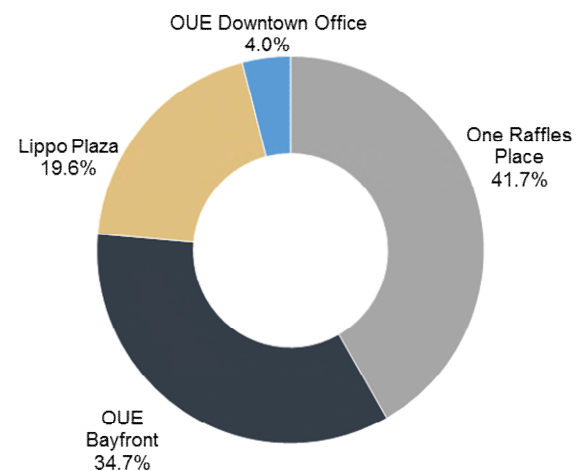


- 4 properties in Singapore and China
- Total asset size of **S\$4.5 billion** as at 31 December 2018
- **More than 2.0 million** sq ft of prime CBD commercial space

By Asset Value⁽¹⁾



By Revenue Contribution⁽²⁾



(1) Based on independent valuations as at 31 December 2018 and OUE C-REIT's proportionate interest in One Raffles Place

(2) For FY2018 and based on OUE C-REIT's proportionate interest in One Raffles Place. Revenue from OUE Downtown Office relates to the period from acquisition date of 1 November 2018 to 31 December 2018

2018 Key Highlights



2018 Highlights

Maximising Operational Performance

- Maintained a healthy portfolio occupancy of 94.7%⁽¹⁾, with all properties achieving higher-than-market committed office occupancy
- Committed rents for new and renewed leases consistently in line or ahead of market rents; achieved positive rental reversions across portfolio in 4Q 2018

Growth from Value-Adding Acquisitions

- Acquired OUE Downtown Office for S\$908 million (S\$1,713 psf), marking the strategic addition of a new office sub-market which allows OUE C-REIT to capture additional tenant demand in the Singapore CBD
- Acquisition was partially funded by fully underwritten rights issue of approximately S\$587.5 million

Prudent and Proactive Capital Management

- Increased proportion of unsecured debt to approximately 61.1%⁽¹⁾, from 13.9% a year ago
- Extended debt maturity to 3.5 years⁽¹⁾, from 2.7 years as at 31 December 2017, while maintaining a stable weighted average all-in cost of debt

(1) As at 31 December 2018

FY2018 Performance

Revenue

s\$ 176.4 million

Net Property
Income

s\$ 138.2 million

Amount Available for
Distribution

s\$ 71.3 million

Distribution per
Unit

3.48 cents

Distribution
Yield

6.8%⁽¹⁾

Portfolio Committed
Occupancy
(As at 31 December 2018)

94.7%

New and Renewed
Leases Committed
(FY 2018)

551,000 sq ft ⁽²⁾

Assets under
Management
(As at 31 December 2018)

s\$ 4.5 billion

NAV per Unit

(As at 31 December 2018)

s\$ 0.71

Aggregate
Leverage

(As at 31 December 2018)

39.3%

Unsecured
Debt %

(As at 31 December 2018)

61.1%

Fixed rate
Debt %

(As at 31 December 2018)

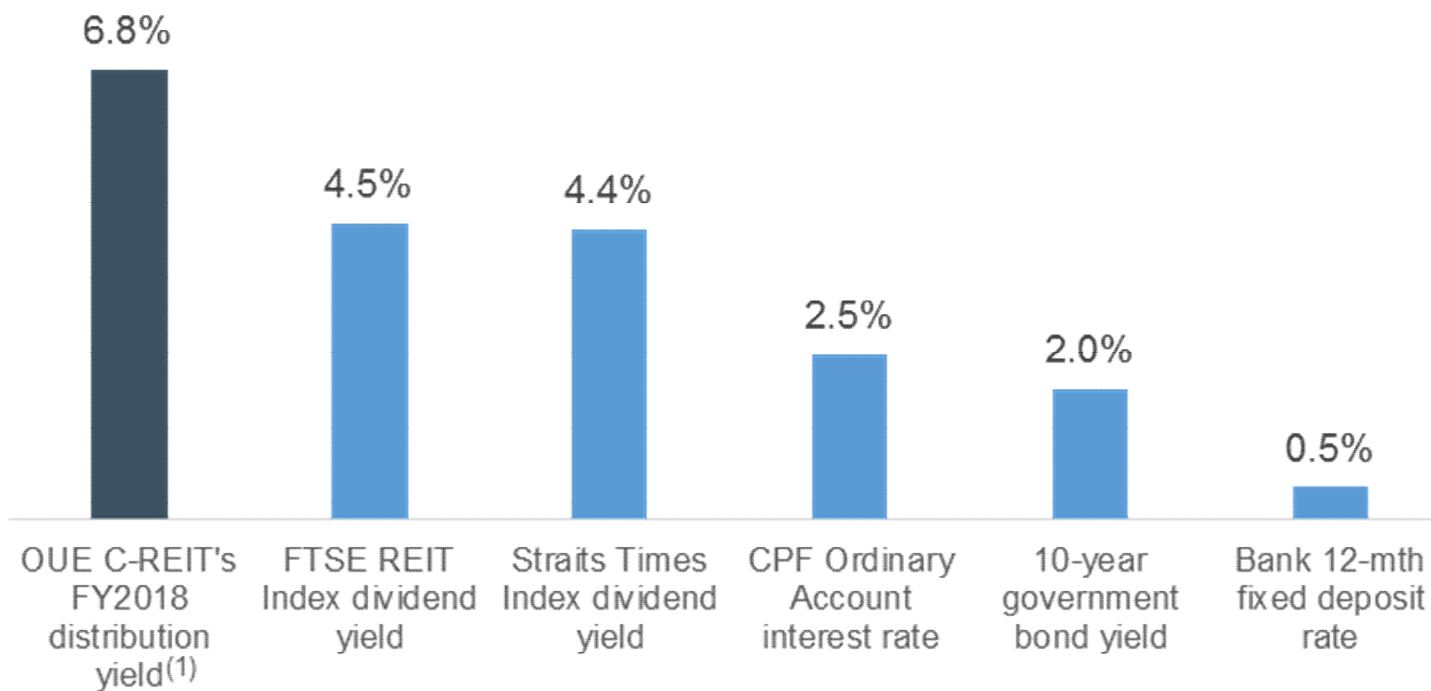
76.4%

(1) OUE C-REIT's distribution yield based on FY2018 distribution per unit of 3.48 cents and Unit closing price as at 16 April 2019 of S\$0.51

(2) Excluding OUE Downtown Office which was acquired on 1 November 2018

Attractive Distribution Yield

OUE C-REIT's distribution yield is 480bp above the 10-year government bond yield



As at 29 Mar 2019

Source: Bloomberg, Monetary Authority of Singapore, Central Provident Fund, Singapore Government Securities

(1) OUE C-REIT's distribution yield based on FY2018 distribution per unit of 3.48 cents and Unit closing price as at 16 April 2019 of S\$0.51



Capital Management

Valuation as at 31 Dec 2018

- OUE C-REIT's assets under management increased 27.9% year-on-year ("YoY") to S\$4.5 billion on the back of the acquisition of OUE Downtown Office. Excluding the acquisition, portfolio valuation as at 31 December 2018 increased 1.7% YoY
- Valuation for Lippo Plaza was marginally lower due to the depreciation of RMB against SGD in 2018. In RMB terms, the valuation increased 2.2% YoY

	As at 31 Dec 2018	As at 31 Dec 2017	Change	Capital Value
	(S\$ m)	(S\$ m)	(%)	
OUE Bayfront	1,173.1	1,153.0	1.7	S\$2,935 psf
One Raffles Place⁽¹⁾	1,813.5	1,773.2	2.3	S\$2,542 psf
Lippo Plaza	587.9 ⁽²⁾ (RMB 2,950.0 m)	588.9 ⁽³⁾ (RMB 2,887.0 m)	(0.2)	RMB50,409 psm
Sub-Total	3,574.5	3,515.1	1.7	-
OUE Downtown Office	920.0	-	-	S\$1,736 psf
Total	4,494.5	3,515.1	27.9	-

(1) Based on OUB Centre Limited's 81.54% interest in One Raffles Place. OUE C-REIT has an 83.33% indirect interest in OUB Centre Limited

(2) Based on independent valuation as at 31 December 2018 and SGD:CNY exchange rate of 1:5.018

(3) Based on independent valuation as at 31 December 2017 and SGD :CNY exchange rate of 1:4.902

Improved Financial Flexibility

- Obtained S\$1.1 billion of new bank borrowings on unsecured basis for refinancing as well as acquisition financing; proportion of OUE C-REIT's unsecured debt increased to 61.1% as at 31 December 2018 from 13.9% a year ago
- Extended average term of debt to 3.5 years as at 31 December 2018 from 2.7 years as at 31 December 2017, while maintaining a stable cost of debt

	As at 31 Dec 2018	As at 31 Dec 2017
Aggregate Leverage	39.3%	37.3%
Total debt	S\$1,675m ⁽¹⁾	S\$1,221m ⁽²⁾
Weighted average cost of debt	3.5% p.a.	3.5% p.a.
Average term of debt	3.5 years	2.7 years
% fixed rate debt	76.4%	84.3%
% unsecured debt	61.1%	13.9%
Average term of fixed rate debt	1.7 years	2.0 years
Interest service ratio	3.0x	3.2x

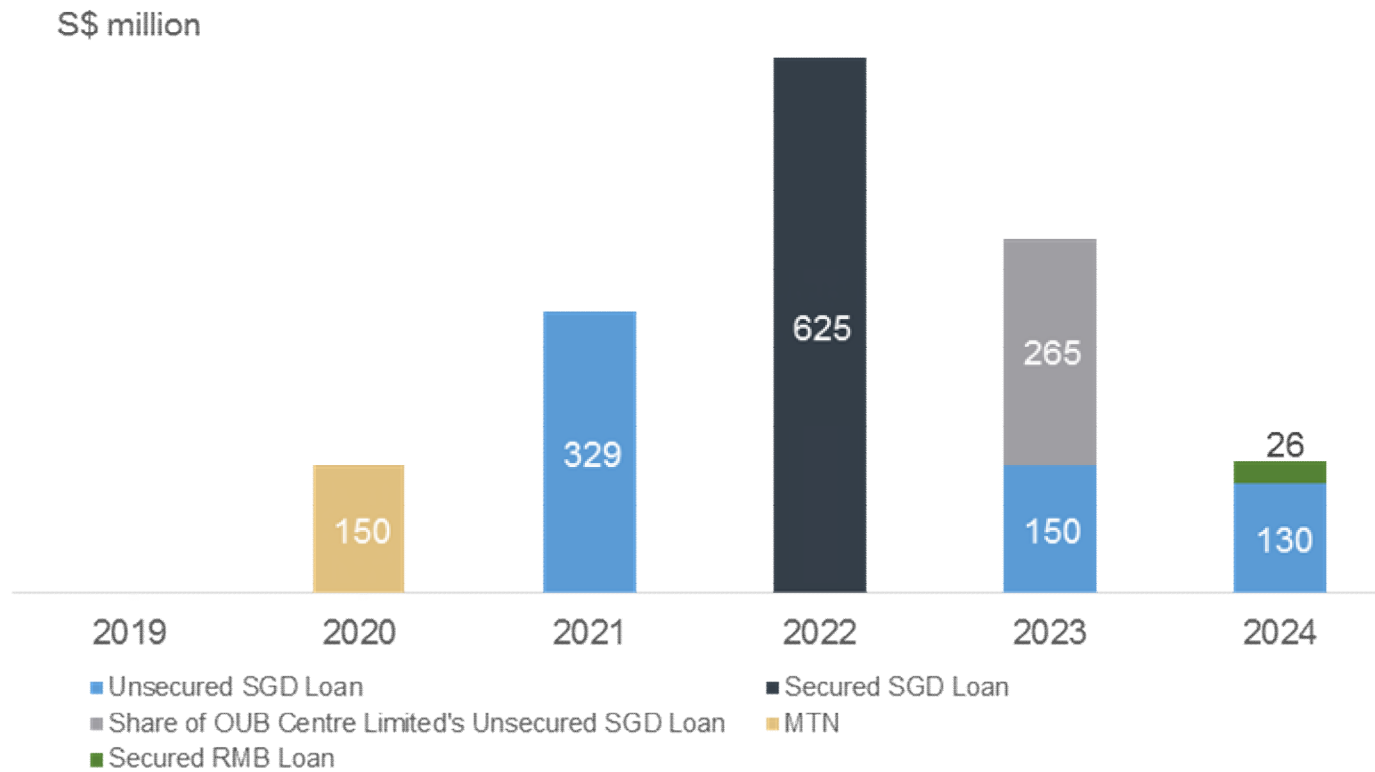
(1) Based on SGD:CNY exchange rate of 1:5.018 as at 31 December 2018 and includes OUE C-REIT's share of OUB Centre Limited's loan

(2) Based on SGD:CNY exchange rate of 1:4.902 as at 31 December 2017 and includes OUE C-REIT's share of OUB Centre Limited's loan

Well-Spread Debt Maturity

No significant refinancing requirement until 2020

Debt Maturity Profile as at 31 December 2018



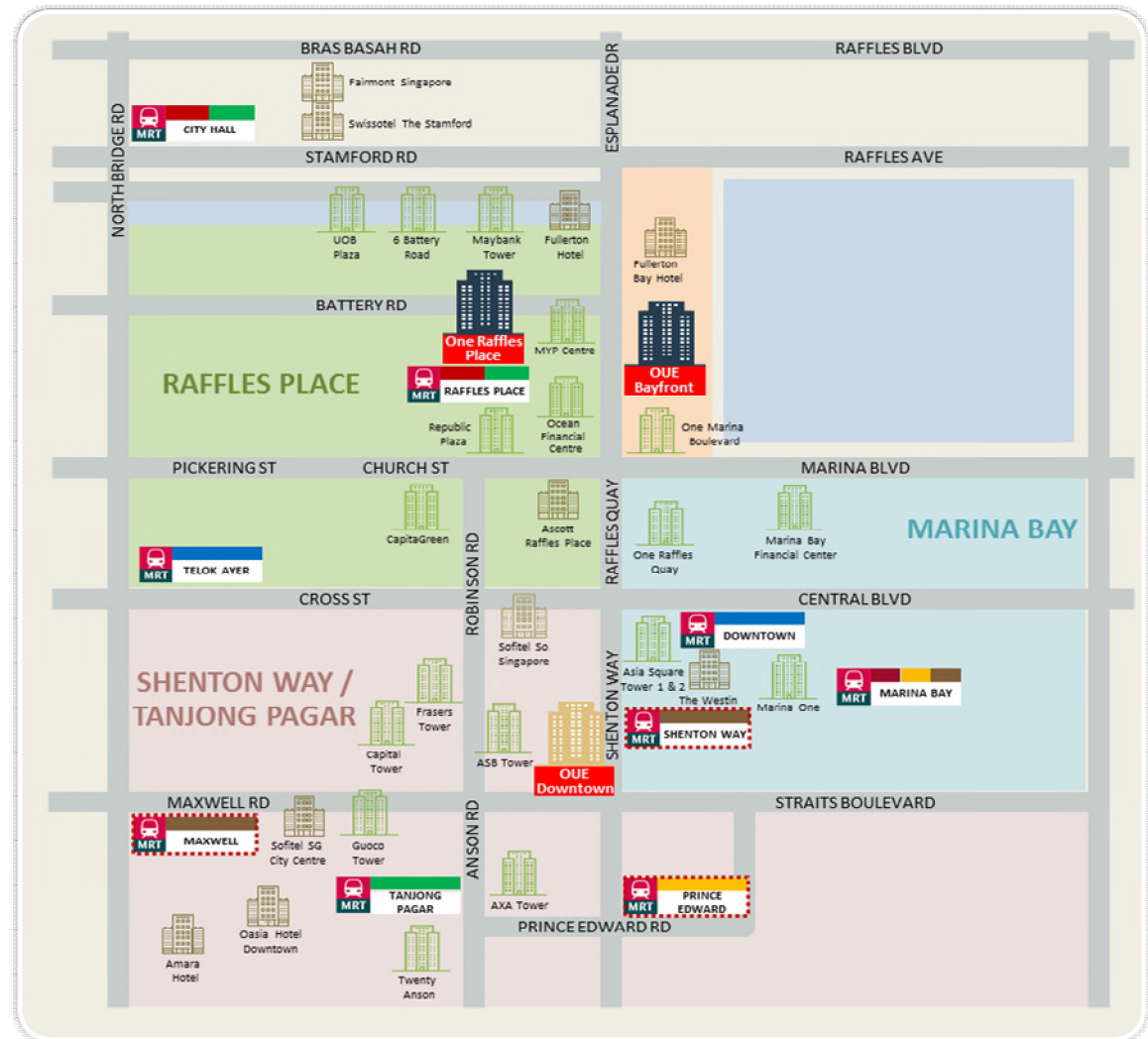
Portfolio Performance



OUE Downtown Office

Strengthens OUE C-REIT's footprint within Singapore CBD, with exposure to the 3 major rental sub-markets in Singapore

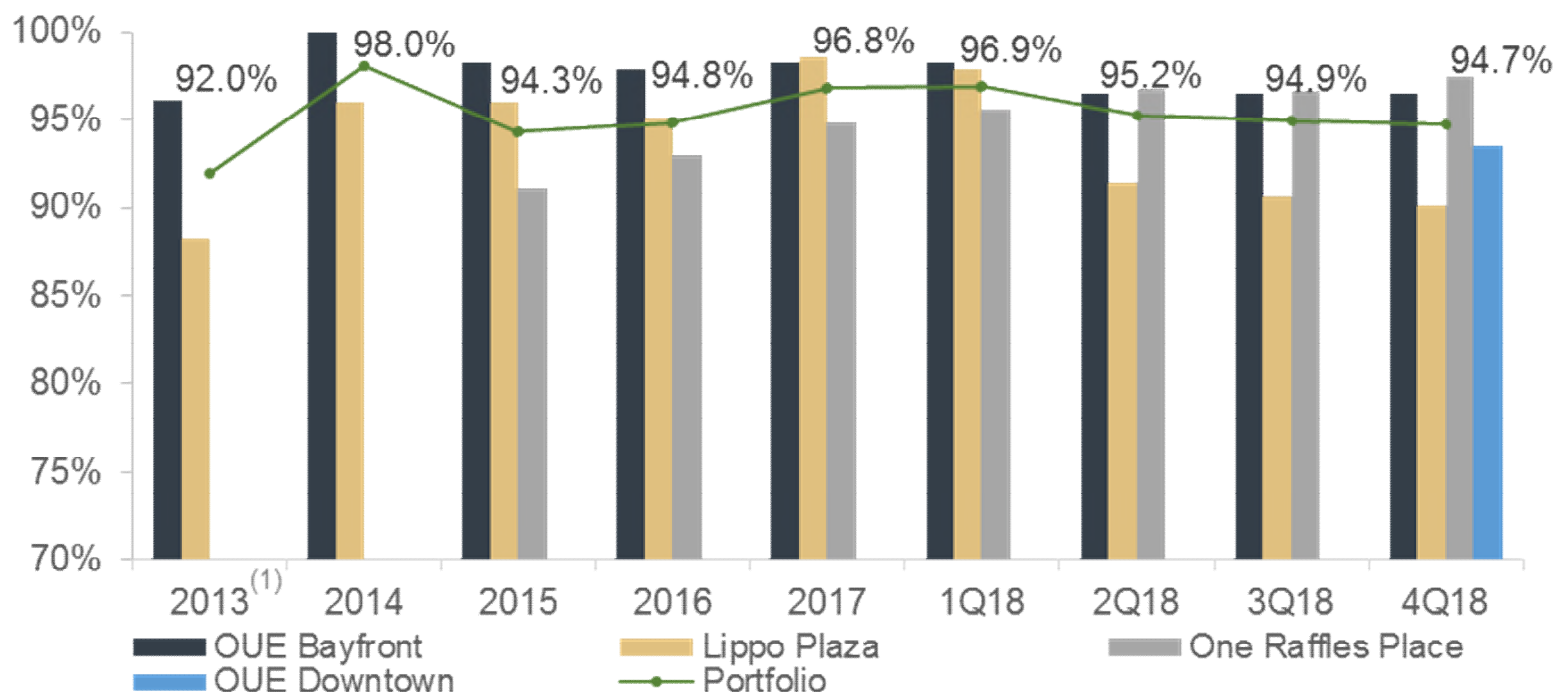
- 1 **One Raffles Place**
Commanding an iconic position in the Raffles Place sub-market
- 2 **OUE Bayfront**
Gateway between the developing Marina Bay area and the established financial hub of Raffles Place
- 3 **OUE Downtown**
Positioned to benefit from the rejuvenation of the Tanjong Pagar precinct



Resilient and Stable Portfolio

- Stable portfolio committed occupancy of 94.7% as at 31 December 2018
- One Raffles Place Shopping Mall's committed occupancy improved to 99.4%
- Lippo Plaza's overall committed occupancy as at 31 December 2018 is 90.1% due mainly to the departure of a retail tenant in 2Q 2018. The committed office occupancy remains healthy at 93.2%

Portfolio Committed Occupancy

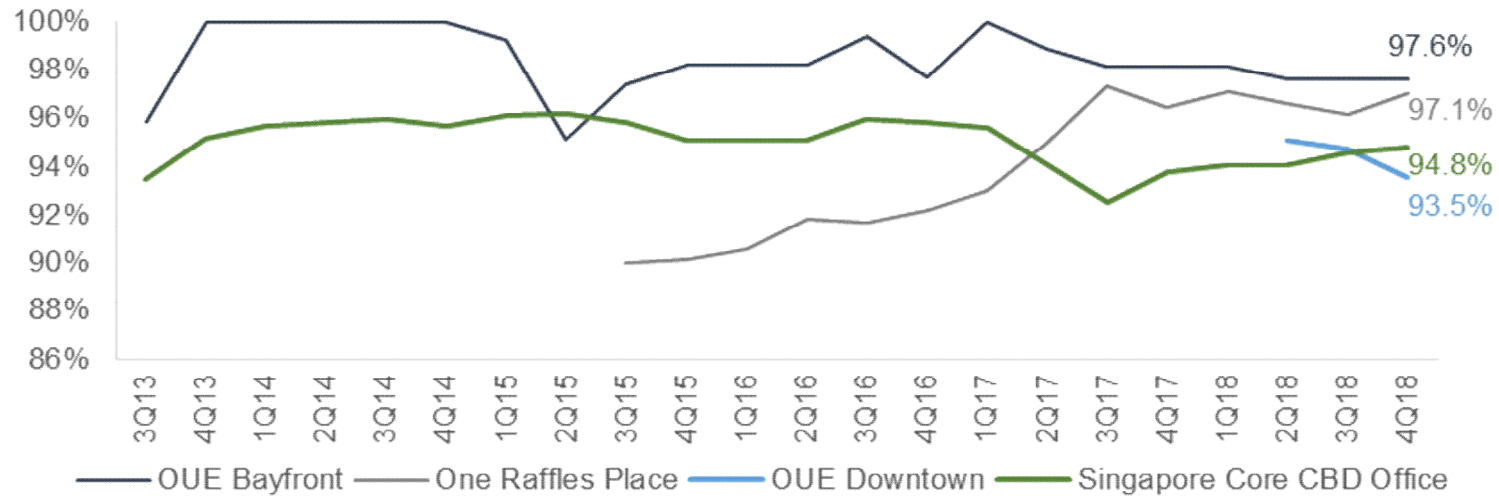


(1) Proforma committed occupancy as at 30 September 2013 as disclosed in OUE C-REIT's Prospectus dated 17 January 2014

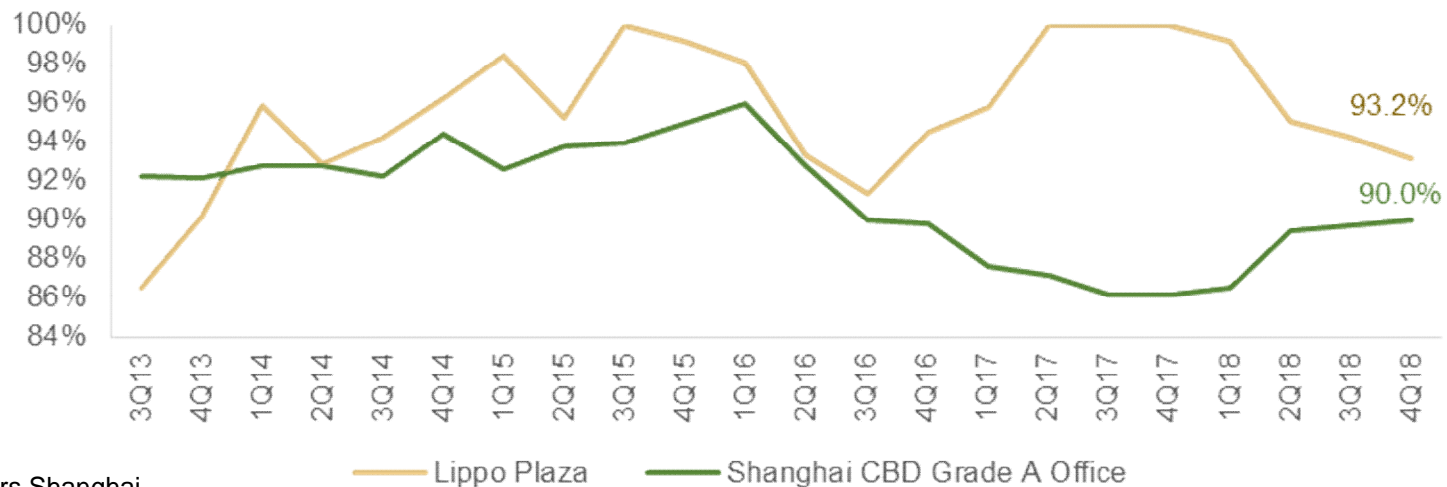
Healthy Office Occupancy

Office occupancy continues to be in line with or above market

Singapore



Shanghai



Committed Office Rents In Line Or Above Market

FY2018	Range of Committed Rents ⁽¹⁾	Average Passing Rents in Dec 2018
OUE Bayfront	S\$10.70 – S\$14.20 psf per month	S\$11.60 psf per month
One Raffles Place	S\$9.00 – S\$11.80 psf per month	S\$9.45 psf per month
OUE Downtown Office	S\$7.80 – S\$8.50 psf per month ⁽²⁾	S\$6.94 psf per month
Lippo Plaza	RMB9.00 – RMB11.30 psm per day (S\$5.20 – S\$6.52 psf per month) ⁽³⁾	RMB9.81 psm per day (S\$5.66 psf per month) ⁽³⁾

- For 2018, the average of new and renewed office rents committed across the portfolio were in line with or at a premium to their respective market office rents
- Positive rental reversions in 4Q 2018 across the portfolio

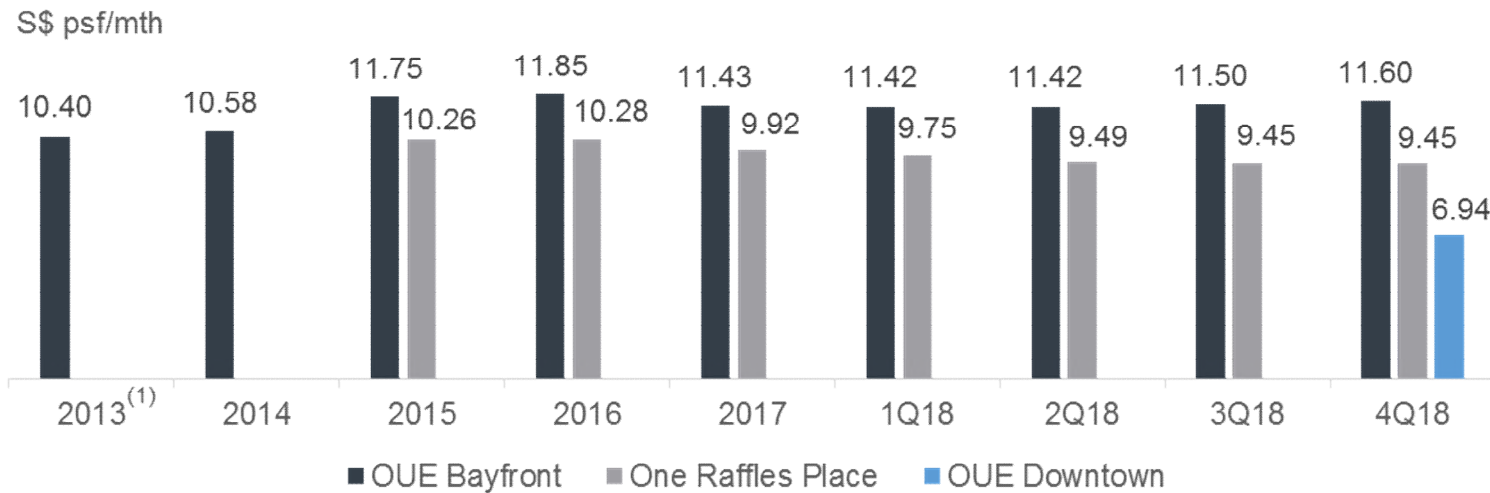
(1) Committed rents for renewals, rent reviews and new leases

(2) For 4Q 2018 as OUE Downtown Office was acquired on 1 November 2018

(3) Translated at an SGD:CNY exchange rate of 1:4.888

Average Office Passing Rents

Singapore



- Average office passing rent for OUE Bayfront improved to S\$11.60 psf per month, and stabilised for One Raffles Place at S\$9.45 psf per month as of December 2018

Shanghai

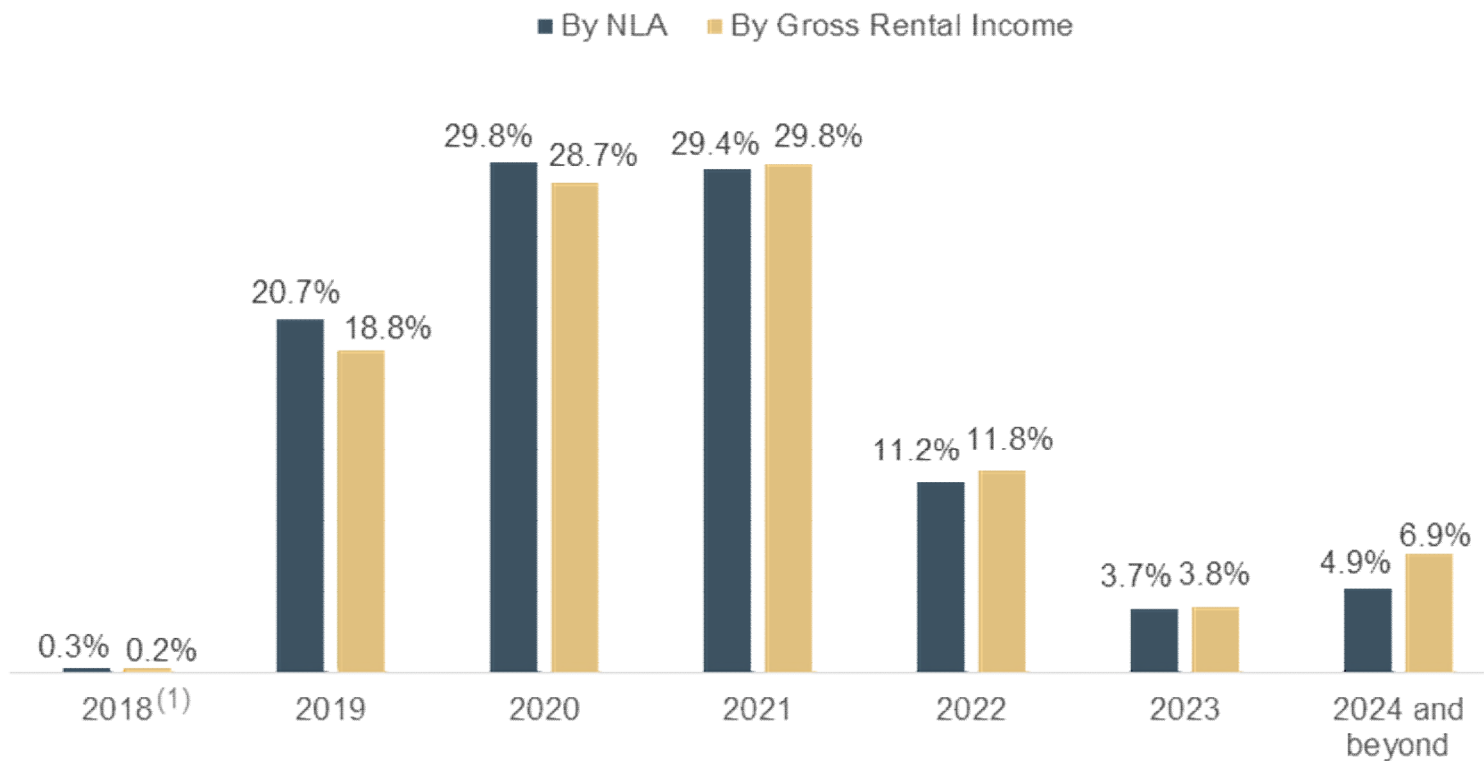


- Average office passing rent at Lippo Plaza was stable at RMB9.81 psm/day as of December 2018

(1) Proforma average passing rents as at 30 September 2013 as disclosed in OUE C-REIT's Prospectus dated 17 January 2014

Portfolio Lease Expiry Profile

18.8% of OUE C-REIT’s portfolio gross rental income is due for renewal in 2019



WALE⁽²⁾ of 2.1 years by NLA⁽³⁾ and 2.3 years by Gross Rental Income

As at 31 Dec 2018

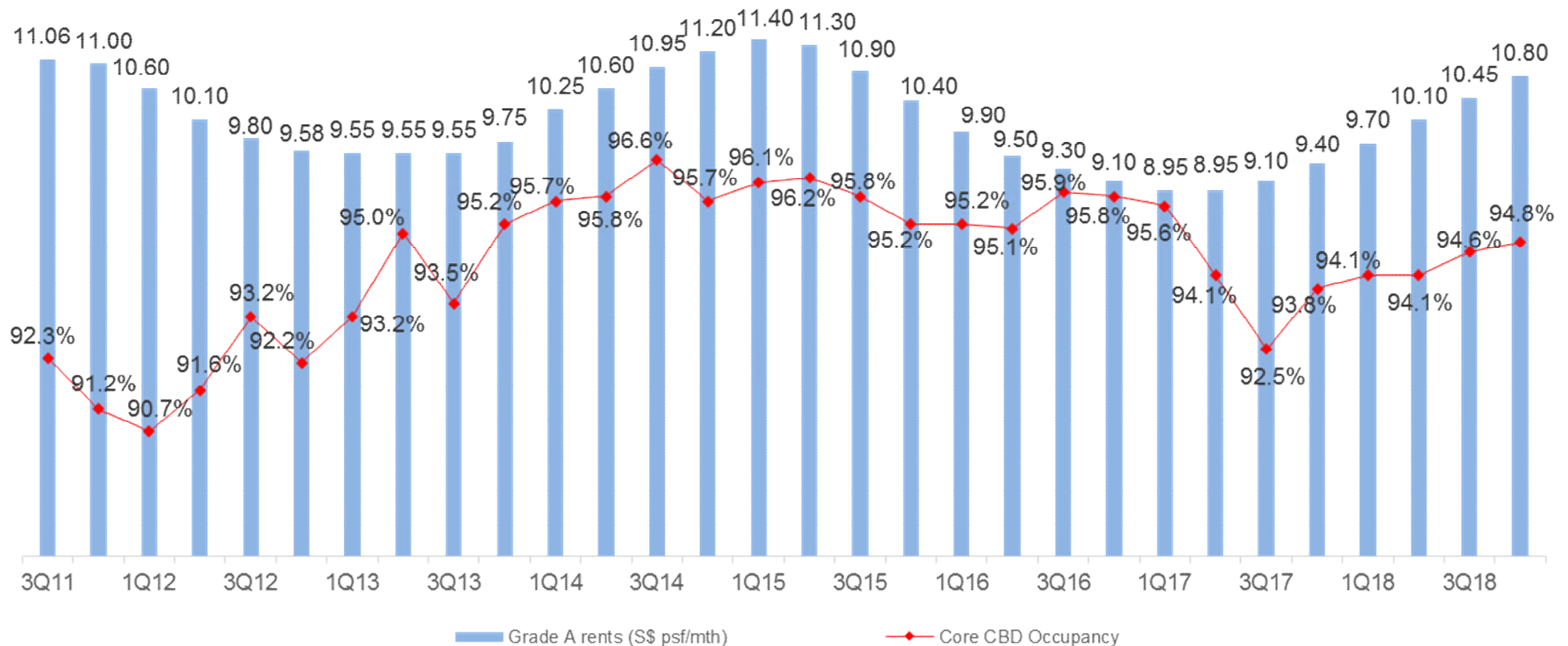
- (1) As at 31 December 2018, leases expiring on 31 December 2018 contributing 0.3% of portfolio lettable area and 0.2% of portfolio gross rental income had not been renewed.
- (2) “WALE” refers to the weighted average lease term to expiry
- (3) “NLA” refers to net lettable area

Summary



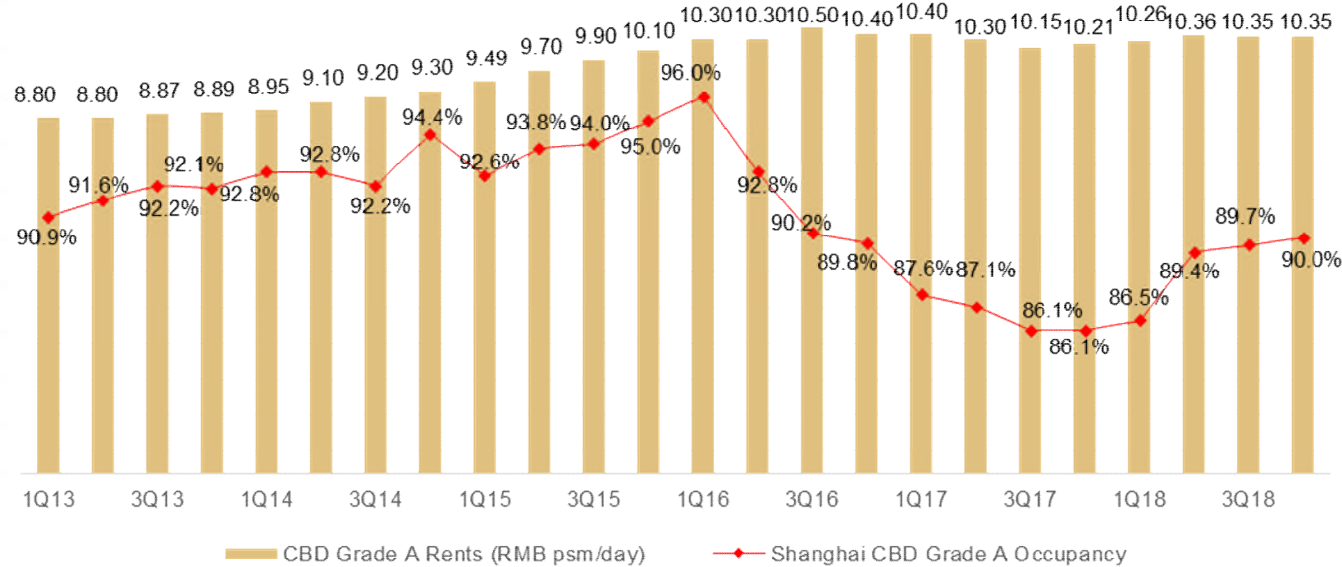
Singapore Office Market

- Core CBD office occupancy improved 1.0 ppt YoY to 94.8% as at end-2018, supported by demand from co-working operators as well as the technology sector. 2018 net absorption was an above-average 1.59 million sq ft and outweighed net supply of 1.51 million sq ft
- Grade A CBD core office rents rose 14.9% YoY in 2018, to S\$10.80 psf per month. Rents have risen cumulative 20.7% from the trough, and are about 5.6% below the previous peak achieved in 1Q 2015



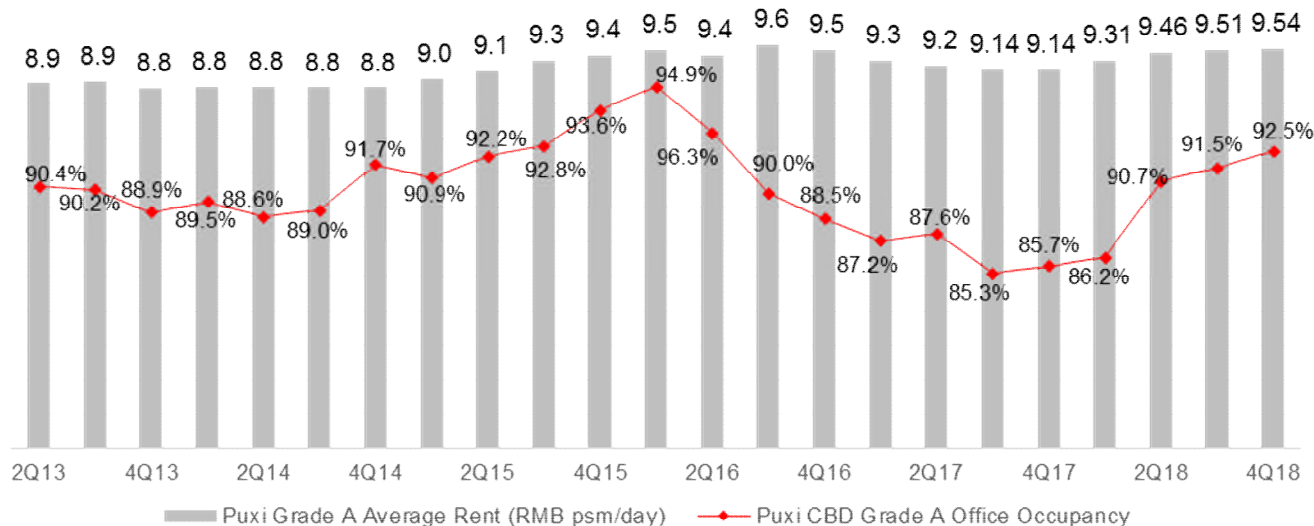
Shanghai Office Market

Shanghai



- Shanghai CBD Grade A office occupancy rose 3.9 ppt YoY to 90.0% as at end-2018 while rents edged up 1.4% YoY to RMB10.35 psm/day. Puxi Grade A office occupancy rose 6.8 ppt YoY to 92.5% as at end-2018, while rents were 4.4% higher YoY at RMB9.54 psm/day

Puxi



- With the significant amount of new office supply scheduled to enter the Shanghai market in 2019, coupled with softer demand from a slower economy, rental growth is expected to be subdued in the near-term

Summary

- Strategies executed in 2018 have greatly enhanced the diversity and resilience of OUE C-REIT's portfolio
 - ✓ Strategically located Grade A commercial properties in Singapore are expected to continue their positive operational performance; Lippo Plaza expected to continue to be attractive to tenants given its quality and location
 - ✓ Full year contribution from OUE Downtown Office in 2019
 - ✓ Strengthened capital structure with improved financial flexibility. Large proportion of debt cost is fixed, mitigating interest rate volatility



Thank You